

"Defaulted Security" means any Eligible Collateral Debt Security or any other security included in the Collateral:

(a) as to which (i) the issuer thereof has defaulted in the payment of principal or interest (without giving effect to any applicable notice or grace period or waiver, unless the Manager certifies to the Trustee that in the Manager's reasonable business judgment such default of up to the lesser of (1) three Business Days and (2) the grace period provided for in the Underlying Instruments is due to non-credit and non-fraud related reasons) or (ii) pursuant to its Underlying Instruments, there has occurred any default or event of default which entitles the holders thereof, with notice or passage of time or both, to accelerate the maturity (whether by mandatory prepayment, mandatory redemption or otherwise) of all or a portion of the outstanding principal amount of such security, unless (1) in the case of a default or event of default consisting of a failure of the obligor on such security to make required interest payments, such security has resumed current payments of interest in Cash (including all accrued interest) and, in the Manager's reasonable business judgment, will continue to make such current payments of interest in Cash (provided that no restructuring has been effected) or (2) in the case of any other default or event of default, such default or event of default is no longer continuing and such security satisfies the definition of "Eligible Collateral Debt Securities";

(b) that ranks *pari passu* with or subordinate to any other indebtedness for borrowed money owing by the issuer of such security (for purposes hereof, "Other Indebtedness"; provided that such Other Indebtedness of such issuer will not include series of such Other Indebtedness that may be issued or owing by a separate special purpose entity) if such issuer had defaulted in the payment of principal or interest in respect of such Other Indebtedness (without giving effect to any applicable notice or grace period or waiver, unless the Manager certifies to the Trustee that in the Manager's reasonable business judgment such default of up to the lesser of (i) three Business Days and (ii) the grace period provided for in the Underlying Instruments is due to non-credit and non-fraud related reasons and the Manager has so certified in writing to the Trustee), unless, in the case of a default or event of default consisting of a failure of the obligor on such security to make required interest payments, such Other Indebtedness has resumed current payments of interest (including all accrued interest) in Cash (whether or not any waiver or restructuring has been effected) and, in the Manager's reasonable business judgment, will continue to make such current payments of interest in Cash; provided that a security will be considered a Defaulted Security pursuant to this clause (b) unless the Manager determines, in its reasonable business judgment and after due inquiry, that the issuer thereof will (or is reasonably expected by the Manager to, as of the next scheduled distribution date) resume all payments of principal and/or interest on another obligation and have paid all missed payments of principal and/or interest on another obligation, in each case as of the next scheduled distribution date;

(c) with respect to which any bankruptcy, insolvency or receivership proceeding has been initiated in respect of the issuer of such Eligible Collateral Debt Security or other security, or there has been proposed or effected any distressed exchange or other debt restructuring where the issuer of such Eligible Collateral Debt Security or other security has offered the debt holders a new security or package of securities that, in the reasonable business judgment of the Manager, either (i) amounts to a diminished financial obligation or (ii) has the purpose of helping the issuer to avoid default;

(d) in the case of a CDS Asset, if the CDS Reference Obligation thereof (if there is only one such CDS Reference Obligation) would be a Defaulted Security under clause (a), (b) or (c) of this definition if included as an Eligible Collateral Debt Security (or if there is more than one CDS Reference Obligation thereof, as specified by the Rating Agency at the time of acquisition by the Issuer);

(e) that (i) is rated "Ca" or below by Moody's or has a Moody's Rating Factor of 10,000, or (ii) is rated "CC", "D" or "SD" by S&P or has had its rating withdrawn after being rated "CC", "D" or "SD" by S&P;

(f) that becomes a Defaulted Security in accordance with the proviso of the definition of "Written Down Security";

(g) the Underlying Instruments for which permit the deferral of the payment of interest in Cash thereon (including, without limitation, by providing for the payment of interest through the issuance of additional debt securities identical to such debt security or through additions to the principal amount thereof for a specified period in the future or for the remainder of its life or by capitalizing interest due on such debt security as principal) and with respect to which any interest has been deferred for the lesser of six consecutive months and two consecutive payment dates; or

(h) that is a CDS Asset with respect to which the related CDS Asset Counterparty is in "default" as such term is defined in the documentation for such CDS Asset.

Notwithstanding the foregoing definition, the Manager may declare any Eligible Collateral Debt Security to be a Defaulted Security if, in the Manager's reasonable business judgment, the credit quality of the issuer of such Eligible Collateral Debt Security has significantly deteriorated such that there is a reasonable expectation of payment default as of the next scheduled distribution date.

"Defaulted Security Amount" means the sum with respect to each Defaulted Security of the lesser of (a) the product of the Principal Balance of such Defaulted Security and its Applicable Recovery Rate and (b) the product of the Principal Balance of such Defaulted Security and the Market Value of such Defaulted Security; *provided that if the applicable Defaulted Security has been a "Defaulted Security" for two years or more, the "Defaulted Security Amount" for such Defaulted Security will be zero.*

"Deferrable Interest Notes" means the Notes specified as such in the Principal Terms Table.

"Deliverable Obligation" means an obligation that is delivered to the Issuer in connection with the physical settlement of a CDS Asset; *provided that as of the date on which the Issuer enters into such CDS Asset, such Deliverable Obligation shall meet the definition of "Eligible Collateral Debt Security" or "Eligible Investments".*

"Depository" or "DTC" means The Depository Trust Company, its nominees, and their respective successors.

"Eligible Guarantee" means, with respect to any Hedge Agreement or Cashflow Swap Agreement, an unconditional and irrevocable guarantee of all present and future obligations of the relevant Hedge Counterparty or the Cashflow Swap Counterparty or an Eligible Replacement of such Hedge Counterparty or Cashflow Swap Counterparty to the Issuer under the relevant Hedge Agreement or Cashflow Swap Agreement that is provided by an Eligible Guarantor as principal debtor rather than surety and that is directly enforceable by the Issuer and either (a) a law firm has given a legal opinion confirming that none of the guarantor's payments to the Issuer under such guarantee will be subject to tax collected by withholding or (b) such guarantee provides that, in the event that any of such guarantor's payments to the Issuer are subject to tax collected by withholding, such guarantor is required to pay such additional amount as is necessary to ensure that the net amount actually received by the Issuer (free and clear of any tax collected by withholding) will equal the full amount the Issuer would have received had no such withholding been required.

"Eligible Guarantor" means, with respect to any Hedge Agreement or Cashflow Swap Agreement, an entity that has credit ratings at least equal to the Approved Ratings Threshold.

"Eligible Investment" means any U.S. dollar-denominated investment that, at the time it is delivered to the Trustee under the Indenture, is one or more of the following obligations or securities:

- (a) Cash;
- (b) direct registered obligations of, and registered obligations the timely payment of principal of and interest on which is fully and expressly guaranteed by, the United States of America or any agency or instrumentality of the United States of America the obligations of which are backed by the full faith and credit of the United States of America;

(c) demand and time deposits in, and certificates of deposit of, bankers' acceptances issued by, or Federal funds sold by any depository institution or trust company (including the Trustee) incorporated under the laws of the United States of America or any state thereof and subject to the supervision and examination by Federal and/or state banking authorities so long as the commercial paper and/or debt obligations of such depository institution or trust company (or, in the case of the principal depository institution in a holding company system, the commercial paper, time deposits or debt obligations of such holding company) at the time of such investment or contractual commitment providing for such investment have a short-term debt rating of at least "P-1" (not on negative credit watch) and "A-1" by Moody's and S&P, respectively and a long-term debt rating of at least "A1" (not on negative credit watch) and "AA-" by Moody's and S&P, respectively; *provided that*, in addition to the foregoing, if any such deposit, certificate of deposit, bankers' acceptance of Federal funds are issued or sold by a depository institution or trust company whose commercial paper and/or other debt obligations (or, in the case of the principal depository institution in a holding company system, the commercial paper, time deposits or debt obligations of such holding company) at the time of such investment or the contractual commitment providing for such investment that has a long-term debt rating of "AA-" or a short-term debt rating of "A-1" by S&P, such deposit, certificate of deposit, bankers' acceptance of Federal funds will not be purchased by the Issuer if, after giving effect to such purchase, such deposits, certificates of deposit, bankers' acceptances and Federal funds would constitute more than 20% of the Principal Balance—Aggregate of the Outstanding Notes (other than overnight deposits issued or sold by or maintained with the Trustee as of the Closing Date so long as such entity is the Trustee and the Trustee has a short-term debt rating of at least "A-1" by S&P) and must have a maturity of 30 days or less; for the avoidance of doubt, the Issuer may not acquire an Eligible Investment referred to in this clause (c) that has a short-term debt rating below "A-1" by S&P or a long-term debt rating below "AA-" by S&P;

(d) Registered debt securities other than mortgage-backed securities bearing interest or sold at a discount issued by any corporation incorporated under the laws of the United States of America or any state thereof that have a credit rating of "Aa2" (not on negative credit watch) by Moody's and "AAA" by S&P at the time of such investment or contractual commitment providing for such investment;

(e) unleveraged repurchase obligations with respect to any security described in clause (b) above, entered into with a United States Federal or state depository institution or trust company (acting as principal) described in clause (c) above or entered into with a corporation (acting as principal) whose short-term debt has a credit rating of "P-1" (not on negative credit watch) by Moody's and "A-1+" by S&P at the time of such investment in the case of any repurchase obligation for a security having a maturity not more than 183 days from the date of its issuance or whose long-term debt has a credit rating of at least "Aa2" (not on negative credit watch) by Moody's and "AAA" by S&P at the time of such investment in the case of any repurchase obligation for a security having a maturity more than 183 days from the date of its issuance;

(f) commercial paper or other short-term obligations having at the time of such investment a credit rating of "P-1" (not on negative credit watch) by Moody's and "A-1+" by S&P that are registered and are either bearing interest or are sold at a discount from the face amount thereof; *provided that*, in the case of commercial paper with a maturity at issuance of longer than 91 days, the issuer of such commercial paper (or, in the case of a principal depository institution in a holding company system, the holding company of such system), if rated by the Rating Agencies, must have at the time of such investment a long-term credit rating of at least "Aa2" (not on negative credit watch) by Moody's and "AAA" by S&P; and

(g) offshore money market funds with respect to any investments described in clauses (b) through (f) above having, at the time of such investment, a credit rating of not less than "Aaa" (not on negative credit watch) and "MR1+" (not on negative credit watch) by Moody's (if such funds are rated by Moody's) and "AAAm" and "AAAm-G" by S&P, respectively (including those for which the Trustee or any of its Affiliates acts as issuer, sponsor, administrator, investment manager or advisor and for which in such capacity the Trustee may receive compensation);

provided that (i) no payments from these funds are subject to withholding taxes by any jurisdiction unless the payor is required to make "gross-up" payments that cover the full amount of any such withholding tax on an after-tax basis; (ii) Eligible Investments purchased with funds deposited in the Collection Account during any Period will be held until maturity except as otherwise specifically provided herein and will include only such obligations or securities that mature no later than the Business Day prior to the Payment Date next succeeding the date of investment in such obligations or securities; and (iii) none of the foregoing obligations or securities will constitute Eligible Investments if (1) all, or substantially all, of the remaining amounts payable thereunder will consist of interest and not principal payments, (2) such security is purchased at a price in excess of 100% of par, (3) such security is subject to substantial non-credit related risk, as determined by the Manager in its reasonable business judgment, (4) such security has an assigned rating with a "p", "pi", "q", "r" or "t" subscript, (5) such security is a mortgage-backed security, (6) such security is an inverse floater or interest only security or (7) such security is subject to an offer.

Unless the context otherwise requires, all references herein to Eligible Investments will mean Eligible Investments owned by the Issuer.

"Eligible Replacement" means an entity that has credit ratings at least equal to the Approved Ratings Threshold or the present and future obligations (for the avoidance of doubt, not limited to payment obligations) of such entity to the Issuer under the relevant Hedge Agreement or the Cashflow Swap Agreement are guaranteed pursuant to an Eligible Guarantee provided by an Eligible Guarantor.

"Eligible SPV" means a bankruptcy remote entity incorporated or organized in the Bahamas, Bermuda, the British Virgin Islands, the Cayman Islands, Jersey, the Netherlands Antilles, Luxembourg or any other similar jurisdiction generally imposing no or nominal taxes on the income of companies located therein (so long as Rating Agency Confirmation is obtained in connection with the inclusion of any such other jurisdiction if the unguaranteed, unsecured and otherwise unsupported long-term U.S. Dollar-denominated sovereign debt obligations of such other jurisdiction have a rating below "Aa2" by Moody's and a foreign currency rating below "AA" by S&P) and relying principally, as determined by the Manager, on cash flows originating in the United States of America.

"Emerging Markets Country" means a country (a) whose long-term sovereign debt rating or estimated rating with respect to foreign currency obligations is less than "Aa2" by Moody's or "AA" by S&P, (b) whose foreign currency obligations are not rated by each of Moody's and S&P or (c) that is, solely with respect to a CDO Security, defined as such (or the corresponding definition) in the underlying instrument of such CDO Security; *provided, that* Bermuda, the Cayman Islands and the British Virgin Islands will not be deemed to be "Emerging Markets Countries."

"Equity Security" means any security that by its terms does not provide for periodic payments of interest at a stated coupon rate (other than a weighted average coupon bond) and repayment of principal at a stated maturity, any other security that is not otherwise eligible for purchase by the Issuer as an Eligible Collateral Debt Security and any security purchased as part of a "unit" with respect to an Eligible Collateral Debt Security and which is itself not eligible for purchase by the Issuer; *provided that* the term "Equity Security" will not include any security which otherwise satisfies the criteria set forth in the definition of "Eligible Collateral Debt Securities" which (a) includes, as one of its rights or components, the right to distributions from excess proceeds after required payments are made on other classes of securities or (b) is an Asset Backed Security structured as a certificate or beneficial interest.

"Euroclear" means Euroclear Bank S.A./N.V., as operator of the Euroclear System.

"Exchange Act" means the United States Securities Exchange Act of 1934, as amended.

"Excluded Property" means (a) the account for the Income Notes established under the Income Note Paying Agency Agreement and all funds and other property from time to time deposited in or credited to such account and all proceeds thereof, (b) U.S.\$250 in respect of the paid up share capital in respect of the Ordinary Shares of the Issuer, (c) U.S.\$100 in respect of paid up share capital in respect of the shares of the Co-Issuer and (d) a U.S.\$250 transaction fee paid to the Issuer and any interest earned on the account in which such sums are credited.

"Fitch" means Fitch Ratings or any successors thereto.

"Fixed Rate Security" means, as of any date of determination, any Eligible Collateral Debt Security which is not a Floating Rate Security.

"Floating Rate Security" means, as of any date of determination, (a) any Eligible Collateral Debt Security, the interest rate on which resets pursuant to an index after such date of determination and (b) any Floating Rate Security—Deemed.

"Floating Rate Security—Deemed" means, as of any date of determination an Eligible Collateral Debt Security that bears interest at a fixed rate which is hedged into a floating rate using a Floating Rate Security—Deemed Asset Hedge.

"Floating Rate Security—Deemed Asset Hedge" means, with respect to an Eligible Collateral Debt Security that bears interest at a fixed rate, an interest rate swap as to which Rating Agency Confirmation has been received (a) prior to the time the Issuer enters into such swap and (b) prior to the time the Issuer terminates such swap.

"Floating Rate Security—Deemed Spread" means, with respect to any Floating Rate Security—Deemed, the difference between the stated rate at which interest accrues thereon (without giving effect to the related Floating Rate Security—Deemed Asset Hedge) and the fixed rate on the related Floating Rate Security—Deemed Asset Hedge at the time such Floating Rate Security—Deemed Asset Hedge is executed.

"Form-Approved ABS Asset Agreement" means a CDS Asset referencing one or more Asset Backed Securities as CDS Reference Obligations and with respect to which the form of Pay-As-You-Go Confirmation can be entered into without any action by the Rating Agencies and which conforms in all material respects to a form of CDS Asset approved by the Rating Agencies; *provided that*, for purposes of determining payments thereunder, no provision providing for Implied Writedowns or Implied Writedown Reimbursement Amounts shall be permitted; *provided, further*, that the Rating Agencies may withdraw or amend such approval at any time upon written notice to the Issuer, the Manager and the Trustee and such withdrawal or amendment shall be applicable to any CDS Assets entered into or acquired subsequent to such withdrawal or amendment; *provided further that*, if the Form-Approved ABS Asset Agreement is modified as a result of publications by ISDA following the Closing Date, the application of such modifications to the CDS Assets acquired by the Issuer shall be subject to approval by the Requisite Noteholders (so long as the Class A1 Swap Counterparty or the Holders of the Class A1 Notes or Pari Passu Classes are the Requisite Noteholders).

"Form-Approved CDO Asset Agreement" means a CDS Asset referencing one or more CDO Securities as CDS Reference Obligations and with respect to which the form of Pay-As-You-Go Confirmation can be entered into without any action by the Rating Agencies and which conforms in all material respects to a form of CDS Asset approved by the Rating Agencies; *provided that* the Rating Agencies may withdraw or amend such approval at any time upon written notice to the Issuer, the Manager and the Trustee and such withdrawal or amendment shall be applicable to any CDS Asset entered into or acquired subsequent to such withdrawal or amendment; *provided further that*, if the Form-Approved CDO Asset Agreement is modified as a result of publications by ISDA following the Closing Date, the application of such modifications to the CDS Assets acquired by the Issuer shall be subject to approval by the Requisite Noteholders (so long as the Class A1 Swap Counterparty or the Holders of the Class A1 Notes or Pari Passu Classes are the Requisite Noteholders).

"FRB" means the Board of Governors of the Federal Reserve System.

"Hedge Agreements" means any interest rate cap agreements, interest rate floor agreements, interest rate swap agreements or similar agreements entered into to hedge the Issuer's interest rate exposure or to raise upfront proceeds and which may provide for an upfront payment payable to or by the Issuer, each as subject to the provisions of the Indenture and on substantially identical terms as Exhibit F to the Indenture or such other terms as to which each Rating Agency shall have provided a Rating Agency Confirmation.

"Hedge Collateral" means any cash, securities or other collateral delivered and/or pledged by any Hedge Counterparty to or for the benefit of the Issuer, including, without limitation, any upfront payment of cash or delivery of securities made by any Hedge Counterparty to satisfy or secure its payment obligations pursuant to the terms of the related Hedge Agreement.

"Hedge Counterparty" means any institution or institutions with which the Issuer enters into interest rate caps, interest rate floors, interest rate swap agreements or similar agreements that address interest rate and currency exposure and with respect to which Rating Agency Confirmation has been received, or any permitted assignees or successors of such institutions under any Hedge Agreements with respect to which Rating Agency Confirmation has been received.

"Hedge Payment" means, with respect to the Hedge Agreements and any Payment Date, the amount, if any, then payable by the Issuer to the Hedge Counterparties, including any amounts so payable in respect of a termination of any Hedge Agreement, other than Hedge Payments—Defaulted.

"Hedge Payments—Defaulted" means any termination payment required to be made by the Issuer to a Hedge Counterparty pursuant to a Hedge Agreement in the event of a termination of such Hedge Agreement in respect of which such Hedge Counterparty is the Defaulting Party or sole Affected Party (each as defined in the applicable Hedge Agreement).

"Hedge Replacement Proceeds" means any amounts received from a replacement counterparty in consideration for entering into a substantially similar replacement Hedge Agreement that preserves for the Issuer the economic equivalent of the terminated Hedge Agreement.

"Hedge Termination Receipts" means any termination payment paid by a Hedge Counterparty to the Issuer.

"Holder" means any Noteholder.

"Implied Writedown" means, with respect to any CDS Reference Obligation, the agreement by the parties thereto that an "Implied Writedown" is "Applicable" as determined in accordance with the terms of the related Pay-As-You-Go Confirmation.

"Implied Writedown Amount" means, with respect to any CDS Reference Obligation, the "Implied Writedown Amount" as determined in accordance with the terms of the related Pay-As-You-Go Confirmation.

"Implied Writedown Excess Payment Reimbursement Amount" means, as of any Payment Date, (a) the aggregate amount of Implied Writedown Excess Payments (as defined in the relevant CDS Asset) paid to the Issuer by a CDS Asset Counterparty *minus* (b) all amounts previously paid to a CDS Asset Counterparty in respect of the Implied Writedown Excess Payment Reimbursement Amount in accordance with the Priority of Payments on all prior Payment Dates.

"Implied Writedown Reimbursement Amount" means, with respect to any CDS Reference Obligation, any "Implied Writedown Reimbursement Amount" as determined in accordance with the terms of the related Pay-As-You-Go Confirmation.

"Income Note Component" means with respect to (a) all Class Q Combination Notes, U.S.\$2,500,000 principal amount of the Income Notes and (b) with respect to any Class Q Combination Note, the portion of the Component referred to in clause (a) that bears the same proportion as the principal amount of such Class Q Combination Note bears to all Class Q Combination Notes then Outstanding.

"Income Note Register" means the register maintained by the Income Note Registrar under the Income Note Paying Agency Agreement.

"Income Notes" means the Income Notes due 2052 issued by the Issuer.

"Increased Fixed Amounts" means, in respect of any CDS Assets that reference mortgage-backed securities, the increased amounts payable by the CDS Asset Counterparty as a result of the failure of the relevant CDS Reference Obligor or any third party to exercise a "clean-up call" or other similar right to purchase, redeem, cancel or terminate the CDS Reference Obligation resulting in a step-up in the interest on the CDS Reference Obligation.

"Indenture" means the Indenture, dated as of the Closing Date, among the Co-Issuers and the Trustee.

"Indenture Register" means the register maintained by the Indenture Registrar under the Indenture.

"Initial Rating" means, with respect to any Class of Notes, the rating or ratings, if any, specified in the Principal Terms Table.

"Interest Collection Account" means an account titled "Interest Collection Account", established with a custodian in the name of the Trustee pursuant to the Indenture into which all Interest Collections will be deposited.

"Interest Collections" means, with respect to any Period and the related Payment Date, the sum (without duplication) of all amounts received in Cash by the Issuer during such Period (or as otherwise specified below) that are (a) payments of interest with respect to any Eligible Collateral Debt Securities and Eligible Investments included in the Collateral (including any Sale Proceeds representing unpaid interest accrued thereon to the date of the sale thereof unless the Manager elects, at its option, to treat such Sale Proceeds as representing such unpaid interest accrued thereon as Principal Collections (but excluding any Accrued Interest Purchased With Principal)), (b) payments of CDS Fixed Amounts, CDS Asset Interest Reimbursements with respect to which the related CDS Asset Interest Payment was paid from Interest Collections, the accrued interest component of any CDS Asset Counterparty Termination Payments, Second Additional Fixed Amounts and Increased Fixed Amounts, in each case, paid by any CDS Asset Counterparty to the Issuer pursuant to the terms of a CDS Asset, (c) payments on Eligible Investments purchased with Interest Collections, (d) payments from a Hedge Counterparty or the Cashflow Swap Counterparty under any Hedge Agreement or the Cashflow Swap Agreement (excluding any payments from a Hedge Counterparty or the Cashflow Swap Counterparty upon reduction of the notional amount thereof and any termination payments) and, for this purpose, any such payment received or to be received on a Payment Date will be deemed received in respect of the Period immediately preceding such Payment Date and will be included in the calculation of Interest Collections received in such Period), (e) all payments by the CDS Collateral Securities Counterparty to the Issuer pursuant to the CDS Collateral Agreement in the form of periodic amounts constituting LIBOR-based return on a notional amount corresponding to the principal amount of the CDS Collateral Eligible Securities, (f) Covered Short CDS Asset Interest Payments received from a Covered Short CDS Asset Counterparty; (g) amendment and waiver fees, all late payment fees, all commitment fees, premiums and all other fees and commissions, (h) amounts deposited into the Collection Account as Interest Collections pursuant to the Priority of Payments on the Payment Date immediately preceding such Payment Date; (i) amounts from the Expense Reserve Account deposited into the Collection Account as Interest Collections in accordance with the Indenture; (j) any amounts released from the CDS Asset Issuer Account; and (k) all proceeds from the foregoing; *provided that* Interest Collections will not include (i) the Excluded Property and (ii) any amounts received on or in connection with Defaulted Securities.

"Interest Coverage Amount" means, as of any date of determination, an amount equal to (a) the amount received or scheduled to be received as Interest Collections during the related Period, *less* (b) the sum of (i) amounts paid or scheduled to be paid on the related Payment Date pursuant to the Priority of Payments prior to clause (G) of the Priority of Payments—Interest Collections and (ii) the amounts paid or scheduled to be paid on the related Payment Date pursuant to clause (G)(ii) and clause (H) of the Priority of Payments—Interest Collections; *provided that* (1) scheduled Interest Collections will not include amounts scheduled to be received on Eligible Collateral Debt Securities with respect to which, in the Manager's reasonable business judgment, there is a reasonable expectation of an interest payment default as of the next scheduled distribution date, (2) scheduled Interest Collections will not include any amount scheduled to be received on securities that are currently deferring interest or securities that are Written Down Securities or Defaulted Securities until such amounts are actually received in Cash and (3) the expected interest on Eligible Collateral Debt Securities, Eligible Investments and the Class A1 Notes and the Class S Notes (if any) will be calculated using the then-current interest rate applicable thereto.

"Interest Coverage Ratio" means, with respect to any Class of Notes, as of any date of determination, the percentage obtained by dividing (a) the Interest Coverage Amount by (b) an amount equal to the unpaid Periodic Interest (including any Defaulted Interest thereon) on the Notes of such Class and each Senior Class and Pari Passu Class payable on the Payment Date immediately following such date of determination.

"Interest Coverage Test" means a test that is satisfied with respect to any Class of Notes if, as of any date of determination, the Interest Coverage Ratio for such Class is at least equal to the Interest Coverage Required specified in the Principal Terms Table for such Class.

"Investment Company Act" means the United States Investment Company Act of 1940, as amended.

"Irish Stock Exchange" means the Irish Stock Exchange Limited.

"Junior Class" means, with respect to any specified Class of Secured Notes, each Class of Secured Notes that ranks junior to such Class, as indicated in the Principal Terms Table.

"Key Counterparties" means the Class A1 Swap Counterparty, each Hedge Counterparty, the Cashflow Swap Counterparty, each CDS Asset Counterparty, the CDS Collateral Securities Counterparty and the Manager.

"Listed Notes" means the Notes specified as such in the Principal Terms Table.

"Majority" means the Holders of more than 50% of the Principal Balance—Aggregate of the relevant Class or Classes of Notes. For this purpose, each Holder of a Class Q Combination Note shall be treated as a Holder of a Principal Balance of the Notes of the Class represented by the related Components comprising such Class Q Combination Note equal to the Principal Balance of such Component.

"Margin Stock" has the meaning provided in Regulation U of the FRB.

"Market Value" means, on any date of determination, with respect to one or more Collateral Obligations, the percentage of par, determined using the first available (or required) of the following methods:

- (a) the price supplied therefor by any independent, nationally recognized pricing service for the relevant type of Collateral Obligation (*provided that* Rating Agency Confirmation has been received with respect to such service from S&P) and as certified by the Manager as being obtained from such sources;
- (b) the average of three or more bid-side market values thereof obtained by the Manager from nationally recognized broker/dealers that are independent from the Manager and independent from each other;
- (c) the lower of two such bid-side market values thereof;
- (d) any single such bid-side market value thereof;
- (e) if no bid-side market value is available, the lower of (i) the Principal Balance of such Collateral Obligation multiplied by the Applicable Recovery Rate for such Collateral Obligation and (ii) the Manager's good faith estimate using its reasonable business judgment as certified by the Manager; and
- (f) (i) for Eligible Collateral Debt Securities and Eligible Investments having a Principal Balance—Aggregate in excess of 10% of the Principal Balance—Portfolio whose "Market Value" is being determined in accordance with clause (d) or (e) above and (ii) for Eligible Collateral Debt Securities and Eligible Investments whose "Market Value" has been determined in accordance with clause (d) or (e) above for more than 30 days, zero.

"Maturity" means, with respect to any Secured Note or Class Q Combination Note, the date on which all unpaid principal of such Secured Note or Class Q Combination Note becomes due and payable as therein and herein provided.

"Measurement Date" means (a) the Closing Date and each day the Issuer purchases or commits to purchase an Eligible Collateral Debt Security; (b) the Ramp-Up End Date; (c) any date on which an Eligible Collateral Debt Security becomes a PIK Bond or a Defaulted Security; (d) each Period End Date; (e) the determination date of each Monthly Report; and (f) with reasonable notice to the Issuer, the Manager and the Trustee, any other Business Day requested by a Majority of any Class of Notes.

"Moody's" means Moody's Investors Service, Inc. or any successors thereto.

"Moody's Asset Correlation Factor" means a single number that is determined in accordance with the correlation methodology provided to the Manager and the Trustee by Moody's.

"Moody's First Rating Trigger Event" means an event that shall occur if (a) a Relevant Entity does not meet the Moody's First Trigger Ratings Threshold for at least 30 Local Business Days (as defined in the relevant Hedge Agreement) and (b) the applicable Hedge Counterparty has neither (i) complied with its obligations to be complied with or performed in accordance with the ISDA Credit Support Annex attached to the relevant Hedge Agreement nor (ii) furnished an Eligible Guarantee or obtained an Eligible Replacement and either (A) no Moody's Second Trigger Ratings Event has occurred or (B) less than 30 Local Business Days (as defined in the relevant Hedge Agreement) have elapsed since the last time that no Moody's Second Trigger Ratings Event had occurred and was continuing.

"Moody's First Trigger Ratings Threshold" means, with respect to any Hedge Counterparty or the Cashflow Swap Counterparty, the guarantor under an Eligible Guarantee or an Eligible Replacement, (a) if such entity has both a long-term unsecured and unsubordinated debt rating or counterparty rating from Moody's and a short-term unsecured and unsubordinated debt rating from Moody's, a long-term unsecured and unsubordinated debt rating or counterparty rating from Moody's of "A2" and a short-term unsecured and unsubordinated debt rating from Moody's of "Prime-1", or (b) if such entity has only a long-term unsecured and unsubordinated debt rating or counterparty rating from Moody's, a long-term unsecured and unsubordinated debt rating or counterparty rating from Moody's of "A1".

"Moody's Rating" means the rating by Moody's of any Eligible Collateral Debt Security determined as follows:

- (i) if such Eligible Collateral Debt Security is rated by Moody's, the Moody's Rating will be such rating;
- (ii) if such Eligible Collateral Debt Security is not rated by Moody's, but the Issuer or the Manager on behalf of the Issuer has requested that Moody's assign a rating to such Eligible Collateral Debt Security, the Moody's Rating will be the rating so assigned by Moody's;
- (iii) with respect to an asset backed security, if such asset backed security is not rated by Moody's then the Moody's Rating of such asset backed securities may be determined using any one of the methods below:
 - (A) if such Eligible Collateral Debt Security is rated by S&P, then the Moody's Rating will be some number of subcategories (equal to the notches provided in the following chart) below the Moody's equivalent of the rating assigned by S&P. The figures represent the number of notches to be subtracted from the rating assigned by S&P.

Asset Class	At least "AA-"	"A+" to "BBB-"	Less than "BBB-"
Automobile Lease Securities	2	3	4
Automobile Loan Securities	1	2	3
Credit Card Securities	1	2	3
Equipment Leasing Securities	1	2	3
Student Loan Securities	1	2	3
Trade Receivable Securities	2	3	4

Asset Class	"AAA"	"AA+" to "BBB-"	Less than "BBB-"
Residential A Mortgage Securities	1	2	3
Residential A Mortgage Securities*	1	3	4
Residential B/C Mortgage Securities	1	2	3
Home Equity Loan Securities	1	2	3

* Residential A Mortgage Securities backed primarily by Alt A/Mixed Pools

(B) if such Eligible Collateral Debt Security is rated by Fitch only, then the Moody's Rating will be some number of subcategories (equal to the notches provided in the following chart) below the Moody's equivalent of the rating assigned by Fitch. The figures represent the number of notches to be subtracted from the rating assigned by Fitch. For dual-rated Residential A Mortgage Securities, the Moody's Rating will be the lower of the two ratings on the security, adjusted by applying the appropriate single-rated notching guidelines below, then increased by 1/2 notch.

Asset Class	"AAA"	"AA+" to "BBB-"	Less than "BBB-"
Residential A Mortgage Securities	1	2	4
Residential A Mortgage Securities*	1	3	5
Residential B/C Mortgage Securities	No Notching Permitted	No Notching Permitted	No Notching Permitted
Home Equity Loan Securities	No Notching Permitted	No Notching Permitted	No Notching Permitted

* Residential A Mortgage Securities backed primarily by Alt A/Mixed Pools

(C) if such Eligible Collateral Debt Security is a commercial mortgage-backed security, the following notching rules are applicable to both S&P and Fitch. For this purpose, commercial mortgage-backed conduit securities are defined as fixed rate, sequential pay, multi-borrower transactions:

(1) if the tranche is rated by Fitch and S&P with no tranche in the transaction having a Moody's Rating (as defined in subsection (i) of the definition of such term):

Asset Class	Notching Rule
CMBS Conduit Securities	2 notches from the lower of S&P and Fitch
CMBS Credit Tenant Lease Securities	Follow notching practice in subclause (iv) below
CMBS Large Loan Securities	No Notching Permitted
CMBS Single Asset Securities	No Notching Permitted

(2) if the tranche is rated by Fitch and/or S&P with at least one other tranche in the transaction having a Moody's Rating (as defined in subsection (i) of the definition of such term):

Asset Class	Notching Rule
CMBS Conduit Securities	1.5 notches from the lower of S&P and Fitch
CMBS Credit Tenant Lease Securities	Follow notching practice in subclause (iv) below
CMBS Large Loan Securities	No Notching Permitted
CMBS Single Asset Securities	No Notching Permitted

(iv) with respect to corporate guarantees (guaranteeing full principal and interest) on asset backed securities, if such corporate guarantees are not rated by Moody's but another security or obligation of the guarantor or obligor (an "other security") is rated by Moody's, and no rating has been assigned in accordance with clause (ii) above, the Moody's Rating of such Eligible Collateral Debt Security will be determined as follows:

(A) if the corporate guarantee is a senior secured obligation of the guarantor or obligor and the other security is also a senior secured obligation, the Moody's Rating of such Eligible Collateral Debt Security will be the rating of the other security;

(B) if the corporate guarantee is a senior unsecured obligation of the guarantor or obligor and the other security is a senior secured obligation, the Moody's Rating of such Eligible Collateral Debt Security will be one rating subcategory below the rating of the other security;

(C) if the corporate guarantee is a subordinated obligation of the guarantor or obligor and the other security is a senior secured obligation:

(1) rated "Ba3" or higher by Moody's, the Moody's Rating of such corporate guarantee will be three rating subcategories below the rating of the other security;

(2) rated "B1" or lower by Moody's, the Moody's Rating of such corporate guarantee will be two rating subcategories below the rating of the other security;

(D) if the corporate guarantee is a senior secured obligation of the guarantor or obligor and the other security is a senior unsecured obligation:

(1) rated "Baa3" or higher by Moody's, the Moody's Rating of such corporate guarantee will be the rating of the other security;

(2) rated "Ba1" or lower by Moody's, the Moody's Rating of such corporate guarantee will be one rating subcategory above the rating of the other security;

(E) if the corporate guarantee is a senior unsecured obligation of the guarantor or obligor and the other security is also a senior unsecured obligation, the Moody's Rating of such corporate guarantee will be the rating of the other security;

(F) if the corporate guarantee is a subordinated obligation of the guarantor or obligor and the other security is a senior unsecured obligation:

(1) rated "B1" or higher by Moody's, the Moody's Rating of such corporate guarantee will be two rating subcategories below the rating of the other security;

(2) rated "B2" or lower by Moody's, the Moody's Rating of such corporate guarantee will be one rating subcategory below the rating of the other security;

(G) if the corporate guarantee is a senior secured obligation of the guarantor or obligor and the other security is a subordinated obligation:

(1) rated "Baa3" or higher by Moody's, the Moody's Rating of such corporate guarantee will be one rating subcategory above the rating of the other security;

(2) rated below "Baa3" but above "B3" by Moody's, the Moody's Rating of such corporate guarantee will be two rating subcategories above the rating of the other security;

(3) rated "B3" or lower by Moody's, the Moody's Rating of such corporate guarantee will be "B2";

(H) if the corporate guarantee is a senior unsecured obligation of the guarantor or obligor and the other security is a subordinated obligation:

(1) rated "Baa3" or higher by Moody's, the Moody's Rating of such corporate guarantee will be one rating subcategory above the rating of the other security;

(2) rated "Ba1" or lower by Moody's, the Moody's Rating of such corporate guarantee will also be one rating subcategory above the rating of the other security;

(I) if the Eligible Collateral Debt Security is a subordinated obligation of the guarantor or obligor and the other security is also a subordinated obligation, the Moody's Rating of such corporate guarantee will be the rating of the other security; and

(v) with respect to corporate guarantees (guaranteeing full principal and interest) issued by U.S., U.K. or Canadian obligors or guarantors or by any other Eligible SPV, if such corporate guarantee is not rated by Moody's, and no other security or obligation of the guarantor is rated by Moody's, then the Moody's Rating of such corporate guarantee may be determined using any one of the methods below:

(A) (1) if such corporate guarantee is rated by S&P, then the Moody's Rating of such corporate guarantee will be (x) one subcategory below the Moody's equivalent of the rating assigned by S&P if such security is rated "BBB-" or higher by S&P and (y) two subcategories below the Moody's equivalent of the rating assigned by S&P if such security is rated "BB+" or lower by S&P; and

(2) if such corporate guarantee is not rated by S&P but another security or obligation of the guarantor is rated by S&P (a "parallel security"), then the Moody's equivalent of the rating of such parallel security will be determined in accordance with the methodology set forth in subclause (1) above, and the Moody's Rating of such corporate guarantee will be determined in accordance with the methodology set forth in

clause (iv) above (for such purpose treating the parallel security as if it were rated by Moody's at the rating determined pursuant to this subclause (2));

(B) if such corporate guarantee is not rated by Moody's or S&P, and no other security or obligation of the guarantor is rated by Moody's or S&P, then the Issuer or the Manager on behalf of the Issuer, may present such corporate guarantee to Moody's for an estimate of such Eligible Collateral Debt Security's rating factor, from which its corresponding Moody's rating may be determined, which will be its Moody's Rating;

(C) with respect to a corporate guarantee issued by a United States corporation, if (1) neither the guarantor nor any of its affiliates is subject to reorganization or bankruptcy proceedings, (2) no debt securities or obligations of the guarantor are in default, (3) neither the guarantor nor any of its affiliates have defaulted on any debt during the past two years, (4) the guarantor has been in existence for the past five years, (5) the guarantor is current on any cumulative dividends, (6) the fixed-charge ratio for the guarantor exceeds 125% for each of the past two fiscal years and for the most recent quarter, (7) the guarantor had a net profit before tax in the past fiscal year and the most recent quarter and (8) the annual financial statements of the guarantor are unqualified and certified by a firm of independent accountants of national reputation, and quarterly statements are unaudited but signed by a corporate officer, the Moody's Rating of such corporate guarantee will be "B3";

(D) with respect to a corporate guarantee issued by a non-U.S. guarantor, if (1) neither the guarantor nor any of its affiliates is subject to reorganization or bankruptcy proceedings and (2) no debt security or obligation of the guarantor has been in default during the past two years, the Moody's Rating of such Eligible Collateral Debt Security will be "Caa2"; and

(E) if a debt security or obligation of the guarantor has been in default during the past two years, the Moody's Rating of such Eligible Collateral Debt Security will be "Ca";

provided that (1) asset backed securities other than those referred to in subclauses (A) through (C) of clause (iii) above, subclauses (A) through (I) of clause (iv) above or subclauses (A) through (F) of clause (v) above have a Moody's Rating as described in clause (i) or (ii) above; (2) (I) if an Eligible Collateral Debt Security that would otherwise have a Moody's Rating of "Aaa" is placed on a watch list for possible downgrade by Moody's, the Moody's Rating applicable to such Eligible Collateral Debt Security will be "Aa1"; (II) if an Eligible Collateral Debt Security that would otherwise have a Moody's Rating of below "Aaa" (x) is placed on a watch list for possible upgrade by Moody's, the Moody's Rating applicable to such Eligible Collateral Debt Security will be one rating subcategory above the Moody's Rating that would otherwise be applicable to such Eligible Collateral Debt Security if it were not on such watch list and (y) if such Eligible Collateral Debt Security is placed on a watch list for possible downgrade by Moody's, the Moody's Rating applicable to such Eligible Collateral Debt Security will be two rating subcategories below the Moody's Rating that would otherwise be applicable to such Eligible Collateral Debt Security if it were not on such watch list; and (III) the rating of any Rating Agency used to determine the Moody's Rating will be a published rating that has no qualifying asterisks, subscripts or other modifications to the alphabetic rating and addresses the obligation of the obligor (or guarantor, where applicable) to pay principal of and interest on the relevant Eligible Collateral Debt Security in full and is monitored on an ongoing basis by the relevant Rating Agency; (3) with respect to any Form-Approved ABS Asset Agreement or Form-Approved CDO Asset Agreement, the Moody's Rating shall be the same as the Moody's Rating of the related CDS Reference Obligation; (4) with respect to any CDS Asset other than those referred to in the preceding clause of this proviso, the Moody's Rating thereof shall be determined as specified by Moody's at the time such CDS Asset is acquired; (5) CDO Securities shall not be eligible for notching and (6) the Principal Balance—Aggregate of Eligible Collateral Debt Securities that may be assigned a rating pursuant to subclause (A) of clause (c) above may not exceed 20.0% of the Principal Balance—Aggregate of all Eligible Collateral Debt Securities.

"Moody's Rating Factor" means, relating to any Eligible Collateral Debt Security, the number set forth in the table below opposite the Moody's Rating of such Eligible Collateral Debt Security:

Moody's Rating	Moody's Rating Factor	Moody's Rating	Moody's Rating Factor
Aaa	1	Ba1	940
Aa1	10	Ba2	1,350
Aa2	20	Ba3	1,766
Aa3	40	B1	2,220
A1	70	B2	2,720
A2	120	B3	3,490
A3	180	Caa1	4,770
Baa1	260	Caa2	6,500
Baa2	360	Caa3	8,070
Baa3	610	Ca or lower	10,000

With respect to any Form-Approved ABS Asset Agreement or Form-Approved CDO Asset Agreement, the Moody's Rating Factor shall be the same as the Moody's Rating Factor of the related CDS Reference Obligation. With respect to any CDS Asset other than those referred to in the preceding sentence, the Moody's Rating Factor thereof shall be determined as specified by Moody's at the time such CDS Asset is acquired. If an Eligible Collateral Debt Security is not rated by Moody's and no other security or obligation of the issuer is rated by Moody's and the Issuer seeks to obtain a rating estimate, then the Moody's Rating Factor of such Eligible Collateral Debt Security will be based on such rating estimate.

"Moody's Recovery Rate" means, with respect to any Eligible Collateral Debt Security on any Measurement Date, an amount equal to the percentage for such Eligible Collateral Debt Security set forth in the recovery rate matrix in a schedule to the Indenture in (a) the table corresponding to the specified type of Eligible Collateral Debt Security, (b) the column in such table setting forth the initial Moody's Rating assigned to such Eligible Collateral Debt Security and (c) the row in such table opposite the percentage of the issue of which such Eligible Collateral Debt Security is a part relative to the total capitalization of (including debt and equity securities issued by) the relevant issuer of or obligor on such Eligible Collateral Debt Security determined on the date on which such Eligible Collateral Debt Security was originally issued; *provided that*, (i) if such Eligible Collateral Debt Security is a Guaranteed Debt Security, such percentage will be 30% and (ii) if such Eligible Collateral Debt Security is not of a type set forth in the recovery rate matrix in Schedule 2 hereto, such percentage will be the recovery rate assigned by Moody's in connection with the Issuer's acquisition thereof of such other recovery rate therefor as may thereafter be notified by Moody's to the Issuer or the Manager; *provided, further that* the Issuer and the Manager may seek modifications to such recovery rate matrix only if Rating Agency Confirmation from Moody's has been received with respect thereto.

"Moody's Second Trigger Ratings Event" means an event that shall occur if no Relevant Entity has credit ratings from Moody's at least equal to the Moody's Second Trigger Ratings Threshold.

"Moody's Second Trigger Ratings Threshold" means, with respect to any Hedge Counterparty or the Cashflow Swap Counterparty, the guarantor under an Eligible Guarantee or an Eligible Replacement, (a) if such entity has both a long-term unsecured and unsubordinated debt rating or counterparty rating from Moody's and a short-term unsecured and unsubordinated debt rating from Moody's, a long-term unsecured and unsubordinated debt rating or counterparty rating from Moody's of "A3" and a short-term unsecured and unsubordinated debt rating from Moody's of "P-2", or (b) if such entity has only a long-term unsecured and unsubordinated debt rating or counterparty rating from Moody's, a long-term unsecured and unsubordinated debt rating or counterparty rating from Moody's of "A3".

"Moody's Trading Restriction Event" means an event that will occur and be continuing if (a) the Moody's long-term rating of any Class of Notes having an Initial Rating of "Aa3" or higher by Moody's has been withdrawn or is lower than such Initial Rating or (b) the Moody's long-term rating of any Class of Notes having an Initial Rating below "Aa3" by Moody's has been withdrawn or is two or more rating subcategories lower than such Initial Rating; *provided that* the withdrawal of a rating in connection with the repayment in full of the principal on any Class of Notes will not be considered a Moody's Trading Restriction Event.

"Moody's Weighted Average Rating Factor" means a number determined by summing the products obtained by multiplying the Principal Balance of each Eligible Collateral Debt Security by its Moody's Rating Factor and dividing such sum by the Principal Balance—Aggregate of all Eligible Collateral Debt Securities.

"Moody's Weighted Average Recovery Rate" means the number determined by summing the products obtained by multiplying the Principal Balance of each Eligible Collateral Debt Security by its Moody's Recovery Rate and dividing such sum by the Principal Balance—Aggregate of all Eligible Collateral Debt Securities.

"Net Aggregate Adjusted Notional Amount" means, as of any date, the Aggregate CDS Asset Notional Amount *minus*, for each CDS Asset that is subject to a Covered Short CDS Asset, the notional amount of the related Covered Short CDS Asset.

"Non-Co-Issued Notes" means each Class of Notes that is not designated in the Principal Terms Table as Co-Issued Notes.

"Non-U.S. Person" means a Person that is not a U.S. Person as defined in Regulation S.

"Noteholder" means, with respect to any Note, the Person in whose name such Note is registered in the Indenture Register, in the case of the Secured Notes or Class Q Combination Notes, or the Income Note Register, in the case of the Income Notes.

"Notes" means the Secured Notes, the Class Q Combination Notes and the Income Notes.

"OID Note" means each Class of Notes that is designated in the Principal Terms Table as an OID Note.

"Outstanding" means:

(a) with respect to the Secured Notes or Class Q Combination Notes, as of any date of determination, all Secured Notes or Class Q Combination Notes theretofore authenticated and delivered under the Indenture except: (i) Secured Notes or Class Q Combination Notes theretofore canceled or delivered for cancellation, (ii) Secured Notes or Class Q Combination Notes for whose payment or redemption money in the necessary amount has been theretofore irrevocably deposited with the Trustee or any paying agent in trust for the Holders of such Secured Notes or Class Q Combination Notes, *provided* that, if such Secured Notes or Class Q Combination Notes are to be redeemed, notice of such redemption has been duly given pursuant to the Indenture or provision therefor satisfactory to the Trustee has been made, (iii) Secured Notes or Class Q Combination Notes in exchange for or in lieu of which other Secured Notes or Class Q Combination Notes have been authenticated and delivered pursuant to the Indenture, unless proof satisfactory to the Trustee is presented that any such Secured Notes or Class Q Combination Notes are held by a holder in due course and (iv) mutilated Secured Notes or Class Q Combination Notes and Secured Notes or Class Q Combination Notes alleged to have been destroyed, lost or stolen for which replacement Secured Notes or Class Q Combination Notes have been issued as provided in the Indenture; and

(b) with respect to the Income Notes, as of any date of determination, all Income Notes theretofore issued and allotted under the Income Note Paying Agency Agreement other than the Income Notes redeemed or repurchased in accordance with the terms of the Income Note Paying Agency Agreement;

provided that in determining whether the Holders of the requisite Principal Balance—Aggregate of the Notes have given any request, demand, authorization, direction, notice, consent or waiver thereunder, (x) Notes owned by or pledged to the Issuer or any other obligor upon the Notes or any Affiliate of the Issuer or of such other obligor and (in the case of any supplemental indenture that affects any provisions hereof that affect the Trustee) Notes owned by or pledged to the Trustee, solely in its capacity as Trustee, under the Indenture or any of its Affiliates will be disregarded and deemed not to be Outstanding, except that, in determining whether the Trustee will be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Notes that a responsible officer of the Trustee actually knows to be so owned or pledged will be so disregarded; and (y) any Notes held or beneficially owned by the Manager, any of its Affiliates or an account or fund for which the Manager

acts as the Manager with discretionary authority will be disregarded for purposes of (1) any vote or consent relating to the removal of the Manager, (2) the proposal by the Holders of the Income Notes of a successor manager and (3) the election of the Requisite Noteholders to approve such proposal.

"Pari Passu Class" means, with respect to any specified Class of Secured Notes, each Class of Secured Notes that ranks *pari passu* with such Class, as indicated in the Principal Terms Table.

"Pay-As-You-Go Confirmation" means one of the "Pay-As-You-Go" forms of confirmation in respect of credit default transactions on Asset Backed Securities or collateralized debt obligations published by ISDA (or any successor version of each such form as may be approved by the Manager acting on behalf of the Issuer), which in each case, in conjunction with the Master Agreement, allows the Issuer to enter into credit default swaps from time to time by executing and delivering one or more confirmations on such form.

"Paying Agent" means any Person authorized by the Issuer to pay the principal of or interest on any Secured Note, on behalf of the Issuer as specified in the Indenture.

"Payment Amount" means the amount of interest payable in respect of each Class of Secured Notes on each Payment Date.

"Period" means, with respect to each Payment Date, the period beginning on the day following the last day of the Period relating to the preceding Payment Date, (or, in the case of the Period that is applicable to the first Payment Date, beginning on the Closing Date) and ending at the close of business on the Business Day four Business Days immediately preceding such Payment Date; *provided* that, if the nominal due date for any payment on any Collateral Obligation occurs on a day during a Period that is not a business day under the applicable Underlying Instrument and as a result such payment is paid and received in the following Period, then such payment will be deemed to have been received during the Period in which such nominal due date falls if such payment is received no later than two Business Days prior to the relevant Payment Date; *provided further* that if the payment date on a CDS Asset is in a later Period than if the Issuer owned the related CDS Reference Obligation by virtue of any payment delay in such CDS Asset, then such payment shall be deemed to have been received in such earlier Period so long as such payment is actually received no later than two Business Days prior to the related Payment Date.

"Period End Date" means, with respect to any Payment Date, the last day of the related Period.

"Periodic Interest" means, with respect to the Secured Notes of any Class or Class Q Combination Notes, interest on such Class of Secured Notes or Class Q Combination Notes payable on each Payment Date and accruing during each Periodic Interest Accrual Period at the Periodic Interest Rate for such Class.

"Periodic Interest Accrual Period" means (a)(i) with respect to the first succeeding Payment Date following a Class A1 Note Funding Date and the Class A1 Notes issued on such date, the period from and including the Class A1 Note Funding Date on which such Class A1 Note is issued to but excluding the next succeeding Payment Date and (ii) with respect to each other Class of Secured Notes or Class Q Combination Notes, with respect to the initial Payment Date, the period from and including the Closing Date to but excluding the Payment Date in May 2007, and (b) thereafter, each successive period from and including each Payment Date to but excluding the next succeeding Payment Date.

"Periodic Interest Cumulative Shortfall Amount" means, with respect to any Class of Deferrable Interest Notes as of any date of determination, the sum of the Periodic Interest Shortfall Amounts with respect to such Class of Notes for each Payment Date preceding such date of determination, less any amount applied on preceding Payment Dates pursuant to the Priority of Payments to reduce such sum.

"Periodic Interest Rate" means, with respect to any specified Class of Secured Notes or Class Q Combination Notes, the per annum rate at which interest accrues as specified in the Principal Terms Table.